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DEPARTMENT OF COMMERCE

International Trade Administration

[C-489-502]

Circular Welded Carbon Steel Pipe and Tube Products from Turkey: Preliminary Results of Countervailing Duty Administrative Review; Calendar Year 2012 and Intent to Rescind Countervailing Duty Administrative Review, in Part

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty (CVD) order on circular welded carbon steel pipe and tube products from Turkey (steel pipe) for the period of review (POR) of January 1, 2012, through December 31, 2012. The review covers one producer/exporter of subject merchandise that the Department selected for individual examination: Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (BMB), and Borusan Istikbal Ticaret T.A.S. (Istikbal), (collectively, the Borusan Companies). Additionally, this review covers two firms that were not individually examined: Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan AS) and Erbosan Erciyas Pipe Industry and Trade Co. Kayseri Free Zone Branch (Erbosan FZB), (collectively Erbosan), and Tosyali dis Ticaret A.S. (Tosyali) and Toscelik Profil ve Sac Endustrisi A.S. (Toscelik Profil), (collectively, Toscelik). We preliminarily determine that the Borusan Companies received countervailable subsidies during the POR but that the total net subsidy rate is less than 0.5 percent *ad valorem* and, therefore, *de minimis*. For purposes of these preliminary results, we assigned Erbosan and Toscelik, the non-selected respondents, net subsidy rates of *de minimis* and 0.83 percent *ad valorem*, respectively. Interested parties are invited to comment on these preliminary results.

DATES: EFFECTIVE DATE: (INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*)

FOR FURTHER INFORMATION: Jolanta Lawska, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: 202-482-8362

Scope of the Order

The products covered by this order are certain welded carbon steel pipe and tube with an outside diameter of 0.375 inch or more, but not over 16 inches, of any wall thickness (pipe and tube) from Turkey. These products are currently provided for under the Harmonized Tariff Schedule of the United States (HTSUS) as item numbers 7306.30.10, 7306.30.50, and 7306.90.10. Although the HTSUS subheadings are provided for convenience and customs purposes, the written description of the merchandise is dispositive.

Intent to Rescind the 2012 Administrative Review, in Part

Umran Celik Born Sanayii A.S. (also known as Umran Steel Pipe Inc.) (Umran), Yucel Group and all affiliates including Yucel Boru ye Profil Endustrisi A.S, Yucelboru Ihracat Ithalat ye Pazarlama A.S, and Cayirova Born Sanayi ye Ticaret A.S.) (collectively, Yucel), and Guven Steel Pipe (also known as Guven Celik Born San. Ve Tic. Ltd.) (Guven) submitted letters to the Department on May 6, 2013, May 17, 2013, and June 4, 2013, respectively, timely certifying that they had no sales, shipments, or entries, directly or indirectly, of subject merchandise to the United States during the POR.¹ Petitioners did not comment on Yucel's, Umran's, and Guven's claims of no sales, shipments, or entries. On May 28 and 29 and June 18, 2013, we transmitted

¹ See Welded Carbon Steel Pipe & Tube Products from Turkey; Notification of no Shipments, dated May 6, 2013; Welded Carbon Steel Pipe & Tube Products from Turkey; Notification of no Shipments, dated May 17, 2013; Welded Carbon Steel Pipe & Tube Products from Turkey; Notification of no Shipments, dated June 4, 2013.

“No-Shipment Inquiries” to U.S. Customs and Border Protection (CBP) regarding these companies. We did not receive any information from CBP contrary to Yucel’s, Guven’s, and Umran’s claims of no sales, shipments, or entries of subject merchandise to the United States during the POR. Accordingly, based on record evidence, we preliminarily determine that Yucel, Umran, and Guven did not ship subject merchandise to the United States during the POR. Therefore, in accordance with 19 CFR 351.213(d)(3), and consistent with our practice,² we preliminarily determine to rescind the review for Yucel, Umran, and Guven.

Methodology

The Department conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution that gives rise to a benefit to the recipient, and that the subsidy is specific.³ For a full description of the methodology underlying our conclusions, *see* Decision Memorandum for Preliminary Results of Countervailing Duty (CVD) Administrative Review: Circular Welded Carbon Steel Pipe and Tube Products from Turkey (Preliminary Decision Memorandum) from James Maeder, Director, Office II, Antidumping and Countervailing Duty Operations, to Paul Piquado, Assistant Secretary for Enforcement and Compliance, dated concurrently with these results and hereby adopted by this notice.

The Preliminary Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at

² See, e.g., *Aluminum Extrusions from the People’s Republic of China: Notice of Partial Rescission of Countervailing Duty Administrative Review*, 79 FR 2635 (January 15, 2014).

³ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity.

<http://iaaccess.trade.gov> and in the Central Records Unit (CRU), room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the Internet at <http://enforcement.trade.gov/frn/>

The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Preliminary Results of Review

The Department determined that the following preliminary net subsidy rates exist for the period January 1, 2012, through, December 31, 2012:

Company	Net Subsidy Rate
Borusan Mannesmann Boru Sanayi ve Ticaret A.S. (BMB), and Borusan Istikbal Ticaret T.A.S. (Istikbal), (collectively, the Borusan Companies)	0.31 percent <i>ad valorem</i> (<i>de minimis</i>)
Erbosan Erciyas Boru Sanayi ve Ticaret A.S. (Erbosan AS) and Erbosan Erciyas Pipe Industry and Trade Co. Kayseri Free Zone Branch (Erbosan FZB), (collectively Erbosan)	<i>de minimis</i>
Tosyali dis Ticaret A.S. (Tosyali) and Toscelik Profil ve Sac Endustrisi A.S. (Toscelik Profil), (collectively, Toscelik)	0.83 percent <i>ad valorem</i>

Assessment and Cash Deposit Requirements

The Department intends to issue assessment instructions to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of the final results of this review. If the final results remain the same as these preliminary results, the Department will instruct CBP to liquidate without regard to CVDs all shipments of subject merchandise produced by the Borusan Companies and Erbosan, entered, or withdrawn from warehouse, for consumption from January 1, 2012, through December 31, 2012. The Department will also instruct CBP to collect cash

deposits of zero percent on shipments of the subject merchandise produced by the Borusan Companies and Erbosan, entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review.

If the final results remain the same as these preliminary results, the Department intends to issue assessment instructions to CBP 15 days after the date of publication of these final results of review to liquidate shipments of subject merchandise by Toscelik entered, or withdrawn from warehouse, for consumption on or after January 1, 2012, through December 31, 2012, at the *ad valorem* assessment rate listed above. We will also instruct CBP to collect cash deposits for Toscelik at the CVD cash deposit rate indicated above on all shipments of the subject merchandise entered, or withdrawn from warehouse, for consumption on or after the date of publication of these final results of review.

We will instruct CBP to continue to collect cash deposits for non-reviewed companies at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to companies covered by this order, but not examined in this review, are those established in the most recently completed administrative proceeding for each company. These rates shall apply to all non-reviewed companies until a review of a company assigned these rates is requested.

Disclosure and Public Comment

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.⁴ Interested parties may submit written comments (case briefs) within 30 days of publication of the preliminary results and rebuttal comments (rebuttal briefs) within five days

⁴ See 19 CFR 351.224(b).

after the time limit for filing case briefs.⁵ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) A statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities. All briefs must be filed electronically using IA ACCESS.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, filed electronically using IA ACCESS. An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice.⁶ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue NW, Washington, DC 20230, at a time and location to be determined.⁷ Parties should confirm by telephone the date, time, and location of the hearing.

Unless the deadline is extended pursuant to section 751(a)(2)(B)(iv) of the Act, the Department intends to issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after issuance of these preliminary results.

⁵ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

⁶ See 19 CFR 351.310(c).

⁷ See 19 CFR 351.310.

These preliminary results of review are issued and published in accordance with sections 751(a)(1) and 777(i)(1) of the Act and 19 CFR 351.221(b)(4).

Dated: April 17, 2014.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

APPENDIX

Analysis of Programs

I. Programs Preliminarily Determined to be Countervailable

- A. Deduction from Taxable Income for Export Revenue
- B. Short Term Pre-Shipment Rediscount Program
- C. Short Term Pre-Export Program
- D. Investment Encouragement Program (IEP): Customs Duty Exemptions

II. Programs Preliminarily Determined To Not Confer Countervailable Benefits During the POR

- Inward Processing Certificate Exemption

III. Programs Preliminarily Determined to Not Be Used

- Stamp Duties and Fees Exemptions under the Free Zones Law
- Law 5084: Withholding of Income Tax on Wages and Salaries
- Law 5084: Incentive for Employers' Share in Insurance Premiums
- Law 5084: Allocation of Free Land and Purchase of Land for less than Adequate Remuneration (LTAR)
- Law 5084: Energy Support
- Corporate Income Tax Exemption under the Free Zones Law
- Deductions on Social Security Payments Program under Law 5510
- Deductions on Social Security Payments Program under Law 5921
- Customs Duties and Value-Added Tax (VAT) Exemptions under the Free Zones Law
- Provision of Buildings and Land Use Rights for LTAR under the Free Zones Law
- Post-Shipment Export Loans
- Export Credit Bank of Turkey Buyer Credits
- Subsidized Turkish Lira Credit Facilities
- Subsidized Credit for Proportion of Fixed Expenditures
- Subsidized Credit in Foreign Currency
- Regional Subsidies
- VAT Support Program (Incentive Premium on Domestically Obtained Goods)
- IEP: VAT Exemptions
- IEP: Reductions in Corporate Taxes
- IEP: Interest Support
- IEP: Social Security Premium Support
- IEP: Land Allocation
- National Restructuring Program
- Regional Incentive Scheme: Reduced Corporate Tax Rates
- Regional Incentive Scheme: Social Security Premium Contribution for Employees
- Regional Incentive Scheme: Allocation of State Land

- Regional Incentive Scheme: Interest Support
- Organized Industrial Zone (OIZ): Exemption from Property Tax
- OIZ: Waste Water Charges
- OIZ: Exemptions from Customs Duties, VAT, and Payments for Public Housing Fund, for Investments for which an Income Certificate is Received
- OIZ: Credits for Research and Development Investments, Environmental Investments, Certain Technology Investments, Certain “Regional Development” Investments, and Investments Moved from Developed regions to “Regions of Special Purpose”
- Foreign Trade Companies Short Term Export Credits
- Pre-shipment Export Credits
- OIZ: Exemption from Building and Construction Charges
- OIZ: Exemption from Amalgamation and Allotment Transaction Charges

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